



The Insider

www.senate.mi.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

July 9, 2004

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and for giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while keeping true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a library near you. Call my office and make an appointment or just walk in.

The Good Ole' Fashioned Senate Lock Down

Desperate times call for desperate measures. On Tuesday, this adage came true in the Michigan Senate.

The issue at hand was a potential tax increase for the Detroit casinos. The House had earlier passed House Bill 4612, which would have doubled the amount of taxes paid by the casinos from 18 to 36 percent.

The Senate amended the House version to include a much smaller tax increase on the casinos, a six percent levy to 24 percent with four percent of the increase (about \$49 million) going to the state and two percent (about \$24 million) going to the city of Detroit.

An additional amendment that would drop the tax increase to 1 percent with the completion of the construction of the permanent casinos and hotels in Detroit was also adopted.

The Senate needed the votes of $\frac{3}{4}$ of its members, 29 votes, to pass HB 4612 because the existing tax rate for the Detroit casinos was set by voters when the casinos were approved. After an initial vote, the Senate had 28 votes in favor and eight against.

The search for a 29th vote began.

Senate Majority Leader Ken Sikkema (R-Wyoming) issued a rare Call of the Senate, ordering the Capitol Police sergeants to bring Senator Virg Bernero (D-Lansing) and Senator Martha Scott (D-Detroit), both of whom were absent, to the Capitol to vote.

Senator Bernero was vacationing on Mackinac Island with his family and Senator Scott was attending a friend's funeral in Detroit.

A State Police plane was dispatched to Mackinac to bring Senator Bernero back to Lansing. A State Police squad car was sent to bring Senator Scott.

Meanwhile, Senator Sikkema huddled with Senator Dennis Olshove (D-Warren), a dear friend of mine and a nay vote, to petition for a change of heart. Senator Olshove had told Senate leadership that he was a yes vote only to change his mind when it was rumored that any potential casino tax increase would halt any chance of a racino bill passing.

After three hours, the longest Call of the Senate in recent history was ended when Senator Olshove was convinced to change his nay vote. He was promised that a casino tax increase would not necessarily preclude a passage of the racino bill, which he hopes will help boost employment at the Hazel Park raceway where many of his constituents work at.

However, all the haggling was for naught. A few hours later the casino tax increase was soundly rejected by the House, sending the bill to conference committee for a compromise agreement. Stay tuned for future developments.

Some odds and ends: Meanwhile, some good times for taxpayers—the state income tax rate went down to 3.9 percent on July 1. The income tax rollback was paused in December to avoid a cut in the school aid fund. As a result of the rollback, the average household will save about \$43 per year. The state is estimated to lose \$250 million.

As a cost-cutting measure, the Governor ordered all state government departments to stop buying and contracting for supplies and equipment for the remainder of the fiscal year, which ends on September 30.

ISD Reform

In light of the financial abuse scandal at the Oakland ISD, the Michigan Senate passed three bills this week that seek to provide more disclosure requirements for Michigan's 57 intermediate school districts. The bills now await Governor Granholm's signature.

Intermediate school districts (ISD's) are county-level public education agencies that support local school districts by providing services that are either too expensive or too large for an individual school district to do on their own. One of the important functions of the ISD, especially in Macomb County, is to provide services to special needs students.

The bills that passed the Michigan Senate would allow voters or school boards to recall intermediate board members. ISD boards would also be required to receive competitive bids before starting on any construction project and to disclose all of the bids. In addition, the legislation would make the election process more open by requiring consideration of candidates during at least two public hearings, and would require the approval of all board members and employees' out-of-state travel.

These bills passed unanimously in the Senate and have been sent to Governor Granholm for her signature.

While I support oversight of the intermediate school districts in order to prevent what happened at the Oakland Intermediate School District from reoccurring elsewhere, recent legislative efforts have raised serious concerns.

House Speaker Rick Johnson (R-LeRoy) added an amendment on June 24 to Senate Bill 599 that would allow voters in Genesee, Kent, Macomb, and Oakland counties the option to decide next June whether their Intermediate School Districts should be dissolved.

The original intent of Senate Bill 599 was to amend the State School Aid Act to allow school district employees to enroll their children in the school district where they work, even if the family does not live in that school district.

Oversight is one thing, but the potential elimination of the intermediate school districts is an extreme and unwarranted solution. I believe that the intermediate school districts administer and provide crucial services, such as special education, to local students. The elimination of these services would only hurt the students who need them the most.

After a week of consideration, Representative Johnson withdrew his amendment, yet the potential for the elimination of ISDs still exists in the form of a bill that is currently being considered by the House Education Committee, HB 5962.

I steadfastly oppose the elimination of the ISD's and will do my best to prevent this from occurring. With more than a dozen ISD reform bills making their way through the legislative process, the issue of ISD reform is far from resolved.

Credit Scoring Hearings

Many legislators have introduced bills that would either reform the credit scoring process or eliminate the practice but with little success.

I introduced legislation last year that would protect the credit scores of individuals who lack a credit history—for example, seniors who have never owned a credit card. Senate Bill 884 and other credit scoring bills remain in the Senate Financial and Insurance Services Committee.

Governor Granholm recently proposed an administrative rule that would require insurers to adjust their base rates and would prohibit the use of a credit-based insurance score as a rating factor for insurance rates after January 1, 2005.

The Department of Labor & Economic Growth and the Office of Financial and Insurance Services will be hosting several public hearings to seek the public's opinion on the Governor's proposed rule ban on the use of credit scoring. The public is urged to attend the hearings or to provide feedback to the Office of Financial and Insurance Services.

The hearings are scheduled for:

- Monday, July 19 at 1 p.m. at the Michigan Library and Historical Center in Lansing
- Wed, June 21 at 1 p.m. at the Grand Rapids Commission Chamber in Grand Rapids
- Monday, July 26 at 1 p.m. at the Cadillac Place, room L500, 3044 W Grand Blvd. in Detroit
- Wed, July 28 at 1 p.m. at the Flint City Hall, 3rd floor Council Chambers in Flint

You can fax your comments to Wendy Nelson at 517-335-1727 or e-mail them to her at wsnelso@michigan.gov. You can also send comments to:

Office of Financial and Insurance Services
Policy Division
PO Box 30220
Lansing, MI 48909-7720

All comments are due on or before 5 p.m. on July 30, 2004.

Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

Sterling Heights

Every Saturday and Sunday at 12:30 p.m.
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Roseville

Every other Tuesday at 6:05 p.m.
(Comcast Channel 18)

*Please note that Sterling Heights/Utica/Clinton Township will show the TV Insider Show on Comcast Channel 5 and Wide Open West Channel 10. Clinton Township will air the TV Insider Show at various times during the last week of every month. Roseville can see the TV Insider Show on Comcast Channel 18.

Coffee Hours

*Please note that since the District Office is in Roseville, I do not have coffee hours in Roseville. I encourage you to visit the Roseville office. We even have a coffee pot. Everyone is welcome at the coffee hours.

**July 19
7-9 p.m.**

Location: Clinton Township Public Library
(35891 Gratiot, north of 15 Mile)

**August 2
7-9 P.M.**

Location: Sterling Heights Public Library
(40255 Dodge Park)

Contact My Office

Website: <http://www.senate.mi.gov/switalski>

Email: senmswitalski@senate.michigan.gov

Lansing Office

Senator Mickey Switalski
Senate District 10
410 Farnum
PO Box 30036
Lansing, Michigan 48909

(866)303-0110 toll free
(517)373-7315
Fax-(517)373-3126

District Office

28311 Utica Road
Roseville, MI 48066

Monday through Friday
9:00 A.M. to 5:00 P.M.

(586)774-2430
Fax-(586)774-0012